

# STATE OF ALASKA

## DEPT. OF HEALTH AND SOCIAL SERVICES

### *Division of Public Health*

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June 12, 2009

Diane LaValle  
Office of Hazardous Materials Safety  
Materials Special Permits & General Approvals  
Pipeline and Hazardous Materials Safety Administration  
U.S. Department of Transportation  
Washington, DC 20590

Re: Permit Reference # 14860-N

Ms LaValle,

The State of Alaska, Department of Health and Social Services, Division of Public Health, Emergency Medical Services is supporting a waiver or variance to 49 CFR, Part 173.302(f) as noted in the Permit Referenced #14860-N by Alaska Airlines "To authorize the transportation in commerce of cylinders of compressed oxygen and oxidizing gases without rigid outer packaging when no other means of transportation exist (modes 4, 5)."

This proposed restriction on air shipment of oxygen cylinders without "rigid outer packaging" will have a monumental negative affect on health care in remote and underserved Alaska. Approximately 75% of Alaska communities are not accessible by roads, and nearly two-thirds have year round access by air transportation only. There are approximately 16 hospitals, 142 community clinics, and 160 community emergency medical services affected by this rule since they depend upon air cargo for shipment of medical oxygen.

According to phone survey of suppliers and cargo handlers, Alaska medical system uses an average of 7,000 cylinders a month to various clinics, hospitals, patients and EMS services. An average of 4,000 cylinders per month are delivered through air cargo to rural hospitals, clinics, patients and emergency service agencies; therefore, we have about 48,000 oxygen tanks shipped yearly within Alaska through air cargo. Most shipments consist of 115 cu ft bottles of which some are used to cascade and fill smaller bottles. According to the Council on Safe Transportation of Hazardous Articles, Inc. (COSTHA) the larger container packages are estimated to cost \$2,250 per bottle, and these containers would expect to last only 100 trips each. The containers, of which do not appear commercially available in numbers needed to meet current demand, are much larger, heavy (up to 55lbs), and reduce precious cargo volume. Current shipping cost for medical oxygen bottles in Alaska are estimated by suppliers at \$130,000 per year. With the new ruling going into effect, it will cost Alaskans an additional \$29.44M annually, or almost 30 times the current costs of delivery. This includes an average cost of \$600 per container and the cost of shipping to rural Alaska at \$1.00 per lb.


A greater issue is capacity, as most aircraft in Alaska are not large enough to carry a large container, or if they do, the capacity will be extremely limited in how many they can carry at any given time. The rule analysis did not consider the logistics or costs associated with Alaska's demand for year round delivery,

nor was seasonal stockpiling as high storage cost considered. The quantity of tanks transported will be less, because of the larger container size required and it will cost more because of the weight and size. Some aircraft will not have the capacity to carry even one container package, while others might be able to transport fewer at a time. There will be situations where airports will have an oxygen tank/super box not "fitting" into the aircraft cargo which will force the need to have a stableized and safe environment to store the tank and it's container until the next flight. Scheduled flights can be few and far between, which could result in an oxygen tank/super box to be delayed days or weeks as inclement weather, -40 below zero is not uncommon in Alaska. This increases the costs of shipping all freight to rural Alaska due to more trips necessary to meet essential medical healthcare demand; this impact was not considered during rulemaking. The impact of higher health care costs resulting from this ruling was also not considered. Without the exception for carrying oxygen bottles in air cargo, rural Alaskans would be subjected to unfair increases in health care cost, as they would suffer the brunt of increase costs due to this rule.

If this ruling is not modified or if air cargo handlers cannot obtain a variance to transport oxygen cylinders, the quality and access to healthcare will be greatly affected. Subsequently, this may result in a total lack of health care available in 75% of Alaskan locations.

Please consider our unique Alaskan issues. We are requesting an exception to the rule for air cargo handlers in Alaska for delivering essential medical gases as we represent a unique rural/remote population that can only be served year round by air cargo.

Sincerely,



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Cc: Commissioner William H. Hogan  
Governor Sarah Palin